

Statement of James R. Lyons

Under Secretary for Natural Resources and Environment
Before the House Appropriations Subcommittee on Agriculture,
Rural Development, Food and Drug Administration, and Related Agencies.

Mr. Chairman, Members of the Committee. It is my pleasure to outline for you the fiscal year 2000 budget request for the Department of Agriculture's Natural Resources Conservation Service (NRCS). Over the past six years I have had the honor to appear before this Subcommittee during each appropriations cycle to present the budget for NRCS. In reviewing the budget requests for the agency in those years, it is quite startling to see how the agency has changed and emerged as a leader in Federal conservation activities. Through passage of the federal Agriculture Improvement and Reform Act of 1996 (1996 Farm Bill), and implementation of the Department of Agriculture Reorganization Act of 1994, NRCS has stepped up not only to advance the conservation mission of USDA, but also to become the central Federal agency for conservation on America's private lands.

Farmers, ranchers, and communities across the nation can turn to NRCS and receive assistance on a wide spectrum of conservation, encompassing nutrient and pesticide management, wetlands conservation, watershed planning, flood prevention, water quality improvement, development/maintenance of wildlife habitat, and, of course, soil conservation. To meet that demand, NRCS delivers a wide variety of financial and technical resources to its customers, through programs as diverse as the Wetlands Reserve Program, Wildlife Habitat Incentives Program, and the Farmland Protection Program.

But regardless of the programs that NRCS delivers and the responsibilities with which the agency has been entrusted, the core of NRCS has been and continues to be its *people*. It is the NRCS delivery system in the field that makes all of the work happen. It is the field conservationists who combine knowledge of the latest technology and science, with experience in farming and ranching operations to sensibly apply good conservation management practices. It is the field conservationists who have earned the trust of farmers and ranchers across the nation through that sound advice and assistance.

I want to take a moment to outline in more detail, how the NRCS field delivery system provides the conservation technical assistance necessary to meet the agency's mission.

NATURAL RESOURCES CONSERVATION SERVICE TECHNICAL ASSISTANCE

NRCS provides natural resources conservation assistance primarily on private lands. More than 70 percent of the land in the contiguous United States is privately owned, including virtually all of the Nation's agricultural lands. It is on the private lands where millions of individual decisions are made by farmers and ranchers, that the ultimate success of our natural resource efforts will be determined. NRCS is the only Federal agency whose major purpose is to provide conservation technical assistance to private landusers across the country. The agency's focus is on helping landowners and users achieve natural resource and environmental goals while maintaining productive and profitable operations and economically viable rural communities. NRCS has had significant success, and the field structure is designed to continue that success in the future. These are a few of its many assets:

- *People.* NRCS has a nationwide network of professional staff at the local level that provide conservation technical assistance to owners and users of privately-owned land. NRCS field staff areas of expertise cover a broad spectrum of natural resource issues. Over forty percent of the agency's science and technology occupations are engineers, over 25 percent are soil scientists, and nearly 10 percent are schooled in rangeland sciences. Other disciplines encompass biology, agronomy, cartography, physics, and forestry. NRCS field staff live and work in the areas that they serve, and have invaluable knowledge of the soil resources, watersheds, climate, and wildlife in the area. But even more importantly, our field staff know their customers. They interact with them everyday and understand the farming operations, agricultural trends, and resource constraints of the people they serve.

- *Technical skills.* NRCS natural resource specialists are trained to deliver technological support to groups and individuals quickly, efficiently, and consistently nationwide. Through a national framework, including science and technology consortiums as well as NRCS Institutes, field staff are trained to apply science-based assistance with a great degree of sensitivity to local conditions. NRCS field staff working in partnership with the local conservation districts are used as a primary source of help by local people -- and often by people administering programs for other Federal, State, and local agencies.

- *Technical excellence.* NRCS specifications for soil and water conservation practices are considered invaluable throughout government and private industry. In addition, the agency is the leader in soil classification and soil mapping. NRCS soil surveys and GIS-based data are utilized daily not only by NRCS staff, but other Federal agencies, local governments, and academia. Soil surveys are used daily to make decisions as small as what type of plants to place in a backyard garden, to how best to engineer highways and bridges.

• *Natural resource planning experience.* NRCS has vast experience in broad-scale planning in watersheds and other areas and site-specific planning on farms and ranches to address natural resource concerns. Effective natural resource planning in the future will require this type of planning process to develop effective solutions that meet the needs for a sustainable land and its people. NRCS serves as a catalyst by providing coordination to bring local people together with skilled technical people to develop and implement meaningful solutions. These planning efforts are provided through the Watershed Survey and Planning Program, the Resource Conservation and Development (RC&D) Program, and Coordinated Resource planning provided through Conservation Operations.

• *Diversity.* I would like to underscore the contributions that NRCS is making toward ensuring equitable service and opportunity for all customers and employees of USDA. NRCS has had a good record of ensuring diversity and opportunity in the past, however, I believe we can do better. Throughout various program and technical assistance activities, NRCS will work hard to provide the necessary outreach and assistance to ensure that our customers have easy access to services. In response to the Civil Rights Action Team report, the Secretary has undertaken many steps to improve the Department's activities and policies in this area. I am confident that NRCS will continue to seek proactive ways to better serve minority and low-income customers. One of the hallmarks of the conservation assistance is that it is available to anyone, anywhere. That includes areas that are not typically designated as high workload areas based upon farm program participation, population, or other demographic factors. By offering basic and universal conservation assistance on a national basis, NRCS offers minority and limited resource farmers a needed helping hand. A legacy of conservation on private lands must be built with the participation of everyone.

- *Partnerships and volunteerism.* Since its creation, NRCS has operated through voluntary cooperative arrangements with individuals, the private sector, and Federal, State, and local governments. The value of NRCS technical assistance is recognized by local and State partners; equally, we recognize the invaluable contribution of volunteers, who contribute immeasurably to conservation efforts. Americans have freely and generously given of their time to the volunteer arm of NRCS, known as the Earth Team. In fact, in FY 1998 some 17,287 NRCS Earth Team volunteers donated 674,299 hours to conservation efforts. As calculated by the Points of Light Foundation, this equates to an additional \$9,200,000 in direct assistance to private landowners for natural resource protection, an increase of nearly 11 percent from FY 1997. The return on the investment for NRCS is enormous. We estimate that for every dollar spent on the Earth Team, we receive \$48 dollars in service benefits.

- *Local people as decision-makers.* When NRCS provides conservation and program assistance, the agency works under mutual agreements with some 3,000 conservation districts that are established under state law. About 17,000 local conservation district supervisors provide the agency with invaluable guidance. The NRCS cooperative team structure is an established and practical example of how Federal programs can be managed with local guidance at the local level. It is crucial to remember that the agency's approach is a voluntary one. Our professionals provide options for problem-solving -- developed in conjunction with customers, but it is the customers who make the final decisions.

- *Leverage.* State and local governments contribute substantially, with both people and dollars complementing NRCS technical assistance. Without NRCS technical assistance, which greatly enhances the value of State and local efforts, these funds almost certainly would not have been spent on natural resource protection. In a sense, this

cooperation constitutes a two-way leveraging: State and local programs and NRCS benefit from each other's involvement.

We are asking a lot from our field delivery system. And as we look at how the agency has evolved to assist in so many areas of conservation, it has accomplished more despite decreasing numbers of employees nationwide. To a great degree, we have taken every step possible to ensure that reductions would not come at the expense of field services. As a result, the agency still maintains over 75% of its staff in the field. However, those staff are under increased demand for their time and expertise. Chief Pearlie Reed is working to minimize administrative functions, so that field staff can dedicate their time where it is needed most -- on farms and ranches across the countryside. But as workload increases and our customers demand more services, we need to provide additional staff resources to help the agency meet that demand. Having said that, I will describe our programs and plans for FY 2000.

The following table shows the major items in this year's budget request:

(Dollars in Thousands)

<u>Appropriation</u> (In thousands of dollars)	FY 1998	FY 1999	FY 2000
CONSERVATION OPERATIONS	633,231	641,243	680,679
WATERSHED SURVEYS AND PLANNING	11,190	10,368	11,732
WATERSHED AND FLOOD PREVENTION OPERATIONS	181,036	99,443	83,423
DEBT FOR NATURE	0	0	5,000
RESOURCE CONSERVATION & DEVELOPMENT	34,377	35,000	35,265
FARMLAND PROTECTION PROGRAM	0	0	50,000
<u>CCC Funding</u> WETLANDS RESERVE PROGRAM (WRP) <u>a</u>	193,597	127,870	207,065
WILDLIFE HABITAT INCENTIVES (WHIP)	30,000	20,000	10,000
ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)	200,000	174,000	300,000
FARMLAND PROTECTION PROGRAM (FPP)	18,000	0	27,500

a Does not include technical assistance costs funded from unobligated WRP appropriation balances; FY 1998 - \$18.7 million; FY 1999 - \$ 4 million; FY 2000 - \$ 2 million.

CONSERVATION OPERATIONS is the foundation for most of the agency's activities. Conservation Operations represents a long-standing and historical partnership of interests all working in a concerted effort toward a sustainable and productive nation. The following programs and initiatives are funded through Conservation Operations:

- *CONSERVATION TECHNICAL ASSISTANCE* is the cornerstone for most agency activities. The FY 1998 appropriations were \$541,361,000; and the FY 1999 comparable appropriation is \$547,905,000. The FY 2000 budget request is \$585,000,000 or a \$37 million net increase.

The proposed funding levels represent support to the functions and activities that are vital to meeting the mission of conserving, improving, and sustaining our natural resources for the future. Conservationists on the ground are under increasing demand for their services, as they tackle new programmatic responsibilities while retaining a commitment to the community for providing basic assistance to landowners in need. It is our goal to ensure NRCS staff support to grassroots watershed partnerships and the development of conservation plans for communities. Throughout the nation, NRCS conservationists facilitate and enable local action. Technical assistance funding ensures the presence of these individuals and promotes voluntary conservation.

We have also responded to requests of this Subcommittee and others for additional data on our accomplishments and workload within Conservation Operations. I am pleased that NRCS has begun to implement accountability systems to capture the total cost of workload in various areas. Also, we are creating a sound system for measuring performance and quantifying the degree to which we are meeting our stated goals.

With respect to workload, one area of particular concern is the issue of water quality problems associated with animal feeding operations (AFO's). In September, 1998, as called for in the Administration's Clean Water Action Plan (CWAP), USDA and the Environmental Protection Agency (EPA) jointly released for public comment a draft AFO Strategy that establishes national performance expectations for all AFO owners and operators. The strategy presents a series of actions that USDA and EPA will take to minimize the water quality and public health impacts of the nearly 450,000 AFO's in the United States. Thousands of producers will likely request nutrient management assistance. In order to help them develop effective nutrient management plans that protect our Nation's water resource, the FY 2000 budget proposes to increase the amount of conservation technical assistance available to AFO operations by \$20 million.

Recognizing that NRCS can never fully meet this workload, the proposed funding level for Conservation Operations also represents a continued cooperative effort between NRCS and its conservation partners including Conservation Districts, Resource Conservation and Development Councils, and other non-profit and community action groups. The relationship between NRCS and its partners represents a catalyst that empowers local people to become involved in conservation activity. In addition, the funds that are appropriated by Congress are leveraged and matched by the hard work and resources of the thousands of partners and volunteers in virtually every aspect of NRCS operations. Additional support for the CWAP in the budget request includes \$20 million for Competitive Partnership that will be used to strengthen the leadership of locally-based organizations such as conservation districts or watershed councils, to enable them to provide coordination of locally-initiated conservation efforts. Finally, a further increase of \$3 million will be used by NRCS for additional monitoring to help target resources and document baseline conditions and performance.

Another area of increasing concern is the issue of Global Climate Change. As the Administration and Congress work toward international protocols concerning greenhouse gas emission, farmers and ranchers can play a key beneficial role. Preliminary research indicates that sound conservation practices, such as wetland protection, conservation tillage, conservation buffers, as well as planting biomass covers have the potential to dramatically reduce greenhouse gas levels. We want to learn more about this, and the proposed Conservation Technical Assistance increase includes \$12 million for soil studies and inventories to provide accurate baseline soil carbon data and to assess the impacts of Federal programs on soil carbon stocks. Also, \$ 3 million is proposed to fund demonstration and pilot projects to test various carbon sequestration and greenhouse gas mitigation strategies and monitoring mechanisms.

These increases are partially offset by a decrease of \$31 million for a transfer of base funding to the proposed Support Services Bureau, which will centrally fund the administrative support services common to the county-based agencies. The FY 2000 Budget requests \$74 million for the Support Services Bureau's information technology and Common Computing Environment functions. In FY 1999, \$31 million for similar activities was appropriated to NRCS. In addition, \$16 million will be made available from CCC, and transfer authority is requested to merge the agencies' central administrative costs into this common account. Estimates of the amounts to be transferred from FSA, NRCS, and RD for administrative services are not yet available.

Some other activities that are encompassed by Conservation Technical Assistance Include the following:

Highly Erodible Land Conservation (HELC). The 1996 Farm Bill provided amendments that have made HELC compliance requirements more farmer friendly and have provided USDA with additional options in assisting producers with compliance status, reduced the burden of complying with the HELC provisions and have provided USDA with additional tools to use in working with producers. However, all producers who receive USDA program benefits must fully apply a conservation plan or use an approved conservation system on highly erodible land. Therefore, NRCS continually assists producers in developing plans for land that they acquire and in making changes in their current plans so that their practices may reflect changes in cropping systems, weather conditions, new technology, and economic incentives. Our experience has shown that approximately 20 percent of producers will change their conservation systems each year.

Wetland determinations and certifications. The 1996 Farm Bill changed Swampbuster to give farmers greater flexibility in complying with wetland conservation requirements by providing more options for mitigation and wetland conversions. NRCS determines areas subject to Swampbuster and responds to requests from farmers who plan activities that may adversely impact wetlands. NRCS certifies wetland determinations only upon request when clients propose a project to alter the hydrology within wetlands. Responding only on a request basis was provided for in the 1996 Farm Bill and ensures that requests from clients are serviced in a timely manner and that certifications are conducted where absolutely necessary. Certified determinations stay in effect as long as the land is used for agricultural purposes or until the owner or operator requests a review after natural events change the topography or hydrology of an area. Certified wetland determinations are conducted by NRCS on agricultural lands and non-agricultural lands for USDA program

participants. Generally, these NRCS certified wetland determinations are also valid under Section 404 of the Clean Water Act. In FY 1997 and FY 1998, landowners requested about 40,000 certified wetland determinations annually and these requests are expected to increase.

Aside from wetland determinations, changes initiated by the 1996 Farm Bill have increased the activities of NRCS in wetland mitigation. NRCS provides assistance to landowners who wish to enhance functions of existing wetlands, restore former wetlands, and create new wetlands to replace wetland functions lost from planned conversions or alterations. These options, while creating increased opportunity and flexibility for landowners, require a great deal of work by NRCS field staff, who assess the functions of individual wetlands and provide the customer with technical assistance in every phase of the mitigation process. Other changes by the 1996 Farm Bill requires development of categorized minimal effect exemptions and also revises the concept of abandonment. When done under an approved conservation plan, landowners with farmed wetlands and farmed wetland pastures may allow an area to revert to wetland status and convert it back at a future date without violating Swampbuster. Thus far, interest and participation in these wetland activities has been widespread among landowners. While NRCS welcomes the opportunity to provide additional assistance to these landowners, these provisions have resulted in a marked workload increase for NRCS.

Grazing Land Conservation Initiative (GLCI). This grassroots-driven initiative has helped NRCS better define the resource needs and benefits generated when grazing lands are improved. NRCS has been requested to continue technical assistance to livestock producers on private grazing lands. Grazing lands include rangelands, pasture, hayland, and grazed forestlands.

Natural Resources Inventory (NRI) analysis of range vegetation shows that over 15 percent of non-Federal rangelands are in poor condition; over 44 percent are in fair condition; 34 percent in good condition; and only 6 percent in excellent condition. The NRI indicates that 75 percent --nearly 299 million acres -- of non-Federal rangelands need conservation treatment. Properly managed grazing land represents a renewable resource for producing food and fiber. Vegetative cover on well-managed grazing lands contributes to: 1) increased water quality and quantity; 2) improved wildlife habitat; 3) reduced soil erosion and sedimentation; and 4) improved riparian areas.

In FY 1999, NRCS was able to continue support for a Grazing Land Conservation Coordinator position in each of the fifty states. This position helps us to provide multi-resource technical assistance to support grazing lands conservation and water quality improvement on rangelands and begin the process of rebuilding the agency's expertise in rangeland conservation, a capability demanded by our customers.

Urban Conservation . Another area of attention has been the work of NRCS in urban and suburban conservation. Natural resources do not recognize the boundary between urban and rural areas and to ignore their interaction within a watershed would not do justice to either. The watershed approach to resource conservation has been widely acclaimed and highly successful. However, when we begin to examine and work to rehabilitate the health of a watershed we must include all contributing factors that may be present, including community and residential elements. The efforts of NRCS are aimed to improve water quality and protect our natural resources while maintaining and enhancing production. The demand for assistance with issues such as water quality and soil erosion prevention are matters that effect everyone, and workable solutions must include the participation of everyone. NRCS has had great success in utilizing the science and technology that it has gained in its 60 year history to all types of resources in many

settings. Likewise, the expertise in soil and water quality that the agency has gained is well suited and easily applied to help communities realize their goals for ecosystem health. We will continue to work together as neighbors to achieve actual goals.

- *Snow survey and water supply forecasts* provide western states and Alaska with vital information on summer water supplies. The FY 1998 appropriation was \$5,835,000, the FY 1999 appropriation was \$5,990,000; and the FY 2000 request is \$6,124,000. NRCS field staffs provide necessary leadership, standardization of procedures, and automation to a partnership of Federal, State, and local personnel to collect snow-pack data from more than 1,200 remote high mountain sites. After compiling and analyzing the data, NRCS is able to provide snowpack estimates and water yield on a monthly basis throughout the snow melting period. The knowledge gained through this effort supports critical decisions on billions of dollars of agricultural production, municipal water supply, hydroelectric and industrial water supply, flood control, and water flow requirements for fish and wildlife. This modest program contributes substantially to the economic and environmental well-being of a very large part of the country.

- *Soil Surveys* provide the public with local information on the uses and capabilities of their soil resources. The FY 1998 appropriation was \$76,409,000; the FY 1999 appropriation is \$78,323,000; and the FY 2000 request is \$80,565,000. Soil surveys are based on scientific analysis and classification of soils and are used to determine land capabilities and conservation treatment needs. The published soil survey for a county or designated area includes maps and interpretations with explanatory information that is the foundation of resource policy, planning and decision-making for Federal, State, county, and local community programs. Homeowners and landowners also use soil survey information when making decisions. Soil surveys are conducted cooperatively with

other Federal agencies, land grant universities, State agencies, and local units of government, many of whom contribute funds and staff.

Soils information has been gathered over many years and is primarily contained in published soil survey manuscripts and maps. There is a need for digital soils data for use in geographic information systems (GIS). NRCS has the leadership role for coordinating the development, maintenance, and distribution of a modernized digital soils data base. Geographically referenced digitized soil survey data, along with orthophotography will provide the accurate reference base needed for computer-assisted conservation, natural resource planning, and for geographic referenced data sharing. In addition, digitizing the soil surveys provides efficiency when updating and maintaining the soil survey data.

- *Plant Material Centers* assemble and test plant propagation and the usefulness of plant species for biomass production, carbon sequestration, erosion reduction, wetland restoration, water quality improvement, stream bank and riparian area protection, coastal dune stabilization, and to meet other special conservation treatment needs. The Plant Materials Centers also focus on the important role of native species in ecosystem functions. The FY 1998 appropriation was \$8,825,000; the FY 1999 appropriation is \$9,025,000; and the FY 2000 budget request is \$9,238,000. Plant materials represent inexpensive, long-term conservation solutions to many environmental and natural resource problems and their maintenance costs are usually low. Many landowners and managers willingly use plant materials, if available, to meet their conservation needs.

The work at the 26 centers is carried out cooperatively with State and other Federal agencies, commercial businesses, and seed and nursery associations. Plant Materials Centers play an important research and development roles since most commercial nurseries will not develop new plant materials due to limited markets, but will grow and market the

stock once a dependable plant has been developed. After species are proven, they are released to the private sector for commercial production.

Following are the other appropriated discretionary accounts in the NRCS Budget:

WATERSHED SURVEYS AND PLANNING. NRCS works with local sponsoring organizations to develop plans on watersheds dealing with water quality, flooding to develop plans on watersheds dealing with water quality, flooding, water and land management, and sedimentation problems. These plans then form the basis for installing needed works of improvement. The agency also works cooperatively with State and local governments to develop river basin surveys and floodplain management studies to help identify water and related land resource problems and evaluate sound solutions. For FY 2000, this activity is proposed to be funded at \$11.7 million.

WATERSHED AND FLOOD PREVENTION OPERATIONS is the first and only national program that helps local organizations plan and install watershed-based projects on private lands. It provides site-specific technical expertise and locally based watershed planning and financial assistance for plan implementation. The Watershed Program provides a process to solve local natural resource problems and avoid excessive regulation. FY 1998 funding for PL-534 and PL-566 was \$101,036,000; the FY 1999 funding level is \$99,443,000; and the FY 2000 request is \$83,423,000. The authorized purposes of watershed projects include watershed protection, flood prevention, water quality improvements, soil erosion reduction, irrigation water management, sedimentation control, fish and wildlife habitat enhancement, wetland creation and restoration, and public recreation. The program empowers local people as decision-makers, builds partnerships and requires local and State funding contributions and ownership.

The funding request for FY 2000 also includes \$1 million to educate the public about the condition of the aging infrastructure installed under our watershed programs. NRCS has assisted project sponsors to install over 15,000 individual measures since 1944. An integral part of many of these projects was structures for flood and water control, municipal and industrial water supply, and recreation. Since their installation, conditions surrounding the structures have changed due to an increase in population, residences built below the structures, upstream land use changes, and changed Federal and State dam safety regulations. By FY 2000, approximately 2,000 of the aging structures could require significant restoration.

DEBT FOR NATURE. The FY 2000 budget includes \$5 million as proposed legislation to help implement the Debt for Nature program. Debt for Nature provides technical and financial assistance to USDA borrowers with cash flow problems, who also have lands that require conservation treatment. In exchange for debt forgiveness on their lands, program participants agree to enroll environmentally sensitive lands into conservation easement. USDA's Civil Rights Action Team recommended that the program be implemented. The USDA farm loan program has a significant number of limited resource borrowers who have a high debt load and tight cash flow situation. The Debt for Nature program is a win-win, in that it offers direct financial assistance to borrowers, and also provides the public with protection of valuable natural resources. The program will work to mitigate the adverse economic implications of the ailing farm economy in many communities. The proposal will also directly facilitate the reduction of soil erosion, the implementation of the conservation buffer initiative, and the conservation of diminished and other important fish and wildlife habitat.

RESOURCE CONSERVATION AND DEVELOPMENT (RC&D) is a program initiated and directed at the local level by volunteers. The FY 1998 appropriation was \$34,377,000; the FY 1999 appropriation is \$35,000,000; and the FY 1999 budget request is \$35,265,000. This increase of \$265,000 represent pay cost increases.

Each RC&D area encompasses multiple communities, various units of government, municipalities, and grassroots organizations. The RC&Ds represent a creative approach for helping citizens address multi-jurisdictional natural resource and community development issues. NRCS provides coordination to the program which serves as a catalyst for these civic oriented groups to share knowledge and resources, and it leverages public and private funds to solve common problems -- including economic development -- in a given area. Assistance is obtained from the private sector, corporations, foundations, and all levels of government. Historically, every dollar of NRCS technical and financial assistance for this program and applied directly to local projects, has been matched by about \$13 from other sources. By fostering local ownership and self sustenance for conservation and rural development projects, we believe that RC&D will contribute greatly to the legacy of locally-led action. The FY 2000 request of \$35,265,000 will allow NRCS to continue to support the 315 RC&D areas currently authorized.

COMMODITY CREDIT CORPORATION PROGRAMS

NRCS also administers, on behalf of the Commodity Credit Corporation (CCC), several cost-share programs, including those set forth in the 1996 Farm Bill and also provides technical assistance to individuals and groups participating in the Conservation Reserve Program, which is administered by the Farm Service Agency. The conservation programs provided by the 1996 Farm Bill, which NRCS administers on behalf of CCC, are the Environmental Quality Incentives Program (EQIP), the Farmland Protection

Program (FPP), and Conservation Farm Option (CFO), and the Wetlands Reserve Program (WRP). In addition, NRCS administers the Wildlife Habitat Incentives Program (WHIP), which was funded by a transfer from CCC to NRCS. The 1996 Farm Bill also amended the Food Security Act of 1985, to the continued implementation of which NRCS administers on behalf of CCC.

The ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP) provides in a single, voluntary program flexible technical, financial, and educational assistance to farmers and ranchers who face serious threats to soil, water, and related natural resources on agricultural land and other land, including grazing lands, wetlands, forest land, and wildlife habitat. Assistance is provided in a manner that maximizes environmental benefits per dollar expended, while assisting producers with issues such as local environmental laws or community identified environmental needs.

Funds of the CCC are used to fund the assistance provided under EQIP. For fiscal year 1999, \$174 million was available to implement the EQIP. The program is primarily available in priority conservation areas throughout the Nation. The priority areas consist of watersheds, regions, or areas of special environmental sensitivity or having significant soil, water, or related natural resource concerns that have been recommended through a locally-led conservation process. For Fiscal Year 1998, nearly 75 percent of the EQIP financial assistance funding was provided within priority areas. Over 1,300 priority areas were approved by the State Conservationists and about 655 of these were funded. Funds are made available to the States based upon the quality of the priority area proposal, local initiatives, and the environmental needs of the affected areas.

The program has been very successful. We received nearly 55,000 applications in FY1998. After NRCS ranked the applications based on criteria developed at the local and

state level, FSA county committees approved over 19,800 long-term contracts with farmers and ranchers. The EQIP financial assistance on these contracts will exceed \$156 million.

The FY 2000 proposal seeks an increase in EQIP funding to \$300 million. Based on the fact that requests for assistance far exceed available funding, there is a need to continue to prioritize and focus our efforts so that we meet our Congressional mandate to maximize environmental benefits per dollar expended. We expect that in FY 2000, continued interest in animal nutrient management and the release of the joint USDA/EPA AFO strategy will spur an increase in EQIP participation by owners and operators of animal feeding operations. The nutrient management focus of the program will help meet national objectives of water quality, while involving farmers and ranchers in voluntary and cooperative solutions.

The WILDLIFE HABITAT INCENTIVES PROGRAM (WHIP) provides for implementing wildlife habitat practices to develop upland wildlife habitat, wetland wildlife habitat, threatened and endangered species habitat and aquatic habitat. WHIP provides a significant opportunity to restore native habitat, help landowners understand how to best meet their own needs while supporting wildlife habitat development, and to develop new partnerships with State wildlife agencies, nongovernmental agencies and others.

WHIP is a solely voluntary program, whose projects encompass a wide array of wildlife practices. Projects performed under the program include advancing the following measures: upland wildlife habitat, wetland wildlife habitat, threatened and endangered species habitat, fishery habitat and other approved activities.

State NRCS offices have made an enormous effort to develop partnerships and outreach methods with government and private organizations to develop a program that targets specific state concerns. We estimate that approximately 1 million acres will be enrolled in the program in 1999, at a cost of \$20 million. In order for WHIP to continue to be a successful national program, it needs to remain available for all those interested in incorporating wildlife into the overall management of their farm or ranch operations. The FY 2000 budget request includes legislation to authorize continued funding of WHIP at \$10 million. \$8.1 million would be for the implementation WHIP practices and \$1.9 million for technical assistance, certification, and status reviews on enrolled acres. Funds for technical assistance are critical for the continued implementation of program activities.

The FARMLAND PROTECTION PROGRAM (FPP) protects prime or unique farmland, lands of State or local importance, and other productive soils from conversion to nonagricultural uses. It provides matching funds to leverage funds from States, Tribes, or local government entities that have farmland protection programs. The FPP establishes partnerships with State, Tribes, and local government entities to acquire conservation easements or other interests in land. It protects strategic farmland from urbanization. It ensures that the valuable farmlands are preserved for future generations and also helps maintain a healthy environment and sustainable rural economy. The program was originally funded in the 1996 Farm Bill at a level of \$35 million. To date, those funds have been exhausted, and local interest in the program has been overwhelming. In the State of Union Address, the President referenced the issue of urban sprawl and the troubling trend of conversion of agricultural lands for development. The FY 2000 budget proposes a total of \$ 77.5 million for the Farmland Protection Program in two components: \$50 million in new discretionary funding from the land and Water Conservation Fund to support the President's Lands Legacy Initiative and \$ 27.5 million in CCC funding under proposed legislation.

WETLANDS RESERVE PROGRAM (WRP) is a voluntary incentive program to assist owners of eligible lands to restore and protect wetlands and necessary adjacent upland areas. WRP preserves, protects, and restores valuable wetlands mainly on marginal agricultural lands where historic wetlands functions and values have been either totally depleted or substantially diminished. Wetland restoration of such marginal lands provides landowners with a financial alternative to continued attempts to produce agricultural products on such high risk lands. Program delivery is designated to maximize wetland wildlife benefits, to provide for water quality and flood storage benefits, and to provide for general aesthetic and open space needs. Approximately 70 percent the WRP project sites are within areas that are frequently subjected to flooding and the flood storage being provided will lessen the severity of future flood events. The WRP is making a substantial contribution to the restoration of the nation's migratory bird habitats, especially for waterfowl.

Cumulative acreage enrollment through FY 1999 is expected to reach 775,000 acres. For FY 2000 we propose to enroll almost 200,000 acres and essentially reach the 975,000 acre legislated cap for the program. Technical assistance funding needed for the larger enrollment effort in FY 2000 will be \$18,300,000.

From inception of the program in 1992 through 1998, interest in WRP has been exceptional, providing approximately 665,447 acres enrolled in the program through the end of FY 1998, and enabling the achievement of the long-standing goal to reach the presently authorized acreage cap of 975,000 acres by the end of FY 2000. Historically, there have been more than five fold as many acres offered than the program could enroll. Beginning with the FY 1998 sign-up, landowners are provided with the continuous opportunity to seek enrollment in the program. States periodically rank all unfunded offers and seek allocation of funding for the highest ranked offers. By following this process, the maximum opportunity for landowner participation is provided and the WRP is assured of having the best possible list of ranked offers available for funding during the year.

In response to the 1996 Farm Bill, the enrollment is separated into three components (i.e., permanent easements, 30-year easements, and cost-share agreements). Pursuant to the 1999 Appropriations Act, enrollment is now being balanced to respond to the level of landowner interest in each of these three components. The authorized level of enrollment for 1999 is 120,000 acres. Thus far approximately 22,000 acres have been enrolled. The level of landowner interest in the three components is presently 77 percent permanent easement, 18 percent 30-year easement, and 5 percent cost-share agreement. While we project that the backlog of unfunded acreage being offered in FY 1999 will be 7 times greater than the actual acres enrolled in 1999.

Under the continuous sign-up process the backlog list for each of the program components will continue to be updated. Once the FY 1999 enrollment process is completed, these lists will be available for immediate use in selection of the 2000 enrollment.

Conclusion

NRCS offers landowners a great deal of options and can provide programs and resources that are tailored to an individual customers needs. And the assistance is interactive. We expect to gain a full understanding of the needs and goals of our customers and provide planning and programs that a farmer and rancher can realistically implement. This is what has made NRCS an attractive vehicle for offering so many different kinds of assistance. It is also why when we look toward emerging issues such as nutrient management and greenhouse gasses, that NRCS is an obvious choice to lead the way. However, these policy and financial commitments become moot unless the Department of Agriculture and NRCS, its lead conservation agency, have sufficient resources to deliver the technical assistance that farmers and ranchers time and again say they need to take advantage of the conservation opportunities now confronting them. Our partners in State and local governments and the private sector, responding to widespread public support for environmental protection efforts, have increased their financial commitments to conservation on private land in recent years. At the same time, they look to the Federal government for a continuing commitment to technical assistance for private land and private landowners, not the diminishing commitment in real dollars that has been the trend over the past two decades. It is this technical assistance that, when coupled with the contributions of our many public and private-sector partners, will allow us to realize the full promise of

the 1996 farm bill and to look beyond. Given the needed resources in this appropriation request, we can support the field conservationists of NRCS to make it happen.

That concludes my statement. I am looking forward to working with you in the months ahead to review the proposal and work together to maximize service to our customers and help them be good stewards of the land. I will take any questions that members of the committee might have.